

SENATE BILL 4023

By Tracy

AN ACT to amend Tennessee Code Annotated, Title 55,
Chapter 18, Part 1, relative to automobile clubs
and associations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated 55-18-101, is amended by deleting such section in its entirety and by substituting instead the following:

Section 55-18-101.

“Automobile club or association,” as used in this chapter, means:

(1) Any person, firm, association, partnership, corporation, company or other organization which, from and after June 1, 1957, undertakes for consideration paid by or on behalf of its members or non-members to defray all or a part of the expenses of such members or non-members with reference to motor club service as defined in § 55-18-102, or which issued a certificate which provides for the payment of such benefits to such members or non-members in services, cash, by furnishing bail, or otherwise; and

(2) Every person, firm, association, partnership, corporation or company which, prior to June 1, 1957, has undertaken for a consideration to pay money or render services to its members or non-members, or which has issued any form of contract or certificate or membership card which, under the terms thereof, provides for the payment in money, service or otherwise for motor club service as defined in § 55-18-102.

SECTION 2. Tennessee Code Annotated, Section 55-18-102, is amended by deleting subdivisions (2), (4), (5), (6), (7), (8), (9), (10), and (12) in their entirety and by substituting instead the following:

(2) “Buying and selling service” means any act by an automobile club or association in which a member or non-member of any such automobile club or

association is aided in any way in the purchase or sale of an automobile or the purchase or sale of any accessories or equipment related to automobiles or travel, or any purchase of travel services;

(4) "Discount service" means any act by an automobile club or association resulting in the giving of special discounts, rebates or reductions of price on services or products, including but not limited to, gasoline, oil, repairs, parts, accessories or service for motor vehicles, to members of any such automobile club or association;

(5) "Emergency road service" means any act undertaken by an automobile club or association to adjust, repair, unlock or refuel an automobile, or the adjustment, repair or replacement of any component part thereof so as to permit it to be operated under its own power;

(6) "Financial service" means any act by an automobile club or association to provide:

(A) Loans or other advances of money, with or without security;

(B) Credit cards, travelers checks, gift checks, and stored value cards of any type; and

(C) Foreign exchange and deposit products, made to or arranged for members or non-members of any such automobile club or association;

(7) "Insurance service" means the selling or giving by an automobile club or association to a member or non-member, of products and services regulated by the department of commerce and insurance, including but not limited to, a policy of accident insurance covering liability or loss by a member or non-member as the result of death or personal injury or loss of or damage to the personal property of such member, or the selling of a hospital indemnity policy;

(8) "Legal service" means any act by an automobile club or association consisting of the hiring, retaining, engaging or appointing of an attorney or other person to give professional advice to, or represent, a member of any such automobile club or association, in any court, as the result of liability incurred by the right of action accruing to a member as a result of the ownership, operation, use or maintenance of a motor vehicle, or the reimbursement of legal fees incurred by members regarding the same;

(9) "Map service" means any act by an automobile club or association, by which road maps and books are furnished with or without cost to members or non-members of any such automobile club or association;

(10) "Motor club service" means the rendering, furnishing, procuring or reimbursement for the expense of towing service, emergency road service, insurance service, bail bond service, legal service, discount service, financial service, automobile repair, trip continuance reimbursement, travel store service, buying and selling service, theft service, map service, and touring service, or any one (1) or more services as defined by this chapter. The commissioner shall have the discretion to approve the offering by an automobile club or association of any additional feature, benefit, or service which augments or is incidental to any service defined in this chapter and any other feature, benefit, or service which is of assistance or beneficial to its members or to non-members and is feasible for the automobile club or association to render, except that the commissioner shall not approve any insurance plan or insurance benefit other than those specifically authorized by this chapter or any feature, benefit, or service which is similar to insurance unless it is in compliance with all applicable statutes regulating insurance companies and the offering of insurance;

(12) "Touring service" means any act by an automobile club or association by which touring information is furnished with or without cost to members or non-members

of any such automobile club or association or the making of arrangements, reservations for lodging or the travel space, procurement of tickets or permits for travel to any place in the world for a member or non-member of any such automobile club or association.

SECTION 3. Tennessee Code Annotated, Section 55-18-102, is amended by adding the following new subdivisions thereto, to be appropriately numbered:

() "Automobile repair" means any act by an automobile club or association to repair automobiles for members or non-members for a fee, including but not limited to owning and/or operating facilities that engage in such activity;

() "Trip continuance reimbursement" means any act by an automobile club or association, by which members are reimbursed for certain costs and expenses incurred as a result of accident, fire, theft or collision while more than one hundred (100) miles from home; and

() "Travel store service" means any act by an automobile club or association by which members and non-members are able to purchase travel-related goods and materials directly from the automobile club or association.

SECTION 4. Tennessee Code Annotated, Section 55-18-105(b), is amended by deleting subdivision (4) in its entirety and by substituting instead the following:

(4) References as to the character, ability and integrity of the:

(A) Organizers;

(B) Managers and agents based in Tennessee or serving
Tennessee residents; and

(C) Any other person through whom the applicant proposes to issue contracts, membership certificates, membership cards, or other documents to Tennessee residents in return for membership fees or dues.

SECTION 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.